

EXHIBIT 1

Vendor Payment Analysis - CSA

This document details the analysis (and results of such analysis) of invoices and supporting documentation submitted by Consul-tech Caribe, Inc. ("Vendor" or "CSA") to the Governor's Authorized Representative prior to the invoices being submitted for reimbursement from federal funding sources for payments previously made, or to be made to the Vendor. The procedures performed and noted within this document were discussed and agreed upon with the COR3 Chief Compliance Officer and are intended to assist in the determination of cost allowability as documented within 2 CFR § 200.

Deloitte & Touche LLP performed these procedures for the Central Office for Recovery, Reconstruction and Resilience ("COR3") under contract 2018-PPP018, the Professional Services Agreement for Disaster Recovery Strategic and Compliance Services Assistance After Hurricanes Irma and Maria, executed with the Puerto Rico Public Private Partnerships Authority on June 7, 2018. COR3 is a division of the Puerto Rico Public Private Partnerships Authority.

Section I - Procurement

On September 26, 2017, CSA was engaged by the Puerto Rico Emergency Management Agency ("PREMA") through the Executive Director, to perform consulting and technical services related to hurricanes Irma and Maria.

Section II – Contract and Amendments

Analysis of contract between CSA and PREMA:

Description of Observation	Compliance (Y/N)	If No - Explanation
Contracts and amendments appear to have been properly registered with the Puerto Rico Comptroller's Office.	Y	N/A
The date and maximum fee adjustments registered appear consistent with the documentation analyzed.	N	We did not identify contract amendments that were executed between CSA and PREMA and the invoiced fees exceed the maximum fees per the executed contract. The task orders written against contract 2018-000081 were later registered with the Puerto Rico Comptroller's office on February 28, 2019 with the intent to use the task orders as contract amendments. These task orders were not registered at the time of the task order execution. The acceptance of the Task Orders as an alternative/legal equivalent to a contract amendment is not contemplated in the scope of this document. Further detail on this is explained on page 2.
Contracts, amendments, and task orders provided appear to be signed by representatives from each contracting party.	Y	N/A

Details of contracts and amendments analyzed:

Document	Party	Begin Date	End Date	Max Fees	Date Signed
Contract 2018-000081	PREMA	9/26/2017	12/25/2017	\$ 800,000.00	9/26/2017

Details of task orders written against the contract:

Task Order Number	Date Requested	Approval Date	Duration	Amount	Involved Agencies
TO 001.1	9/19/2017	10/31/2017	90 days	\$ 7,590,050.00	PREPA PRASA DTOP PR Ports Authority Department of Health Department of Education Department of Housing Department of Family Department of Economic Development and Commerce Department of Public Safety Department of Correction Department of Justice Department of Treasury Department of Natural Resources Department of Agriculture Department of Sports and Recreation Public Buildings Authority Puerto Rico National Guard PR Housing Finance Agency Administracion de Retiro
TO 003	10/6/2017	10/31/2017	90 days	\$ 4,307,600.00	PRDE: Inspection of Schools
TO 006	10/22/2017	10/31/2017	90 days	\$ 3,602,170.00	PRASA Support
TO 010	10/27/2017	10/27/2017	90 days	\$ 110,000.00	PBA: Emergency PA Technical Assistance
Total Task Order Amount				\$15,609,820.00	

NOTE:

Deloitte recommends the Government of Puerto Rico ("GPR") to seek a legal opinion on the appropriateness of Task Orders as an alternative to contract amendments.

The signed contract between PREMA and CSA establishes the following:

- In no event shall the total amount to be paid under the agreement exceed \$800,000 [Article Four (4)].
- PREMA shall send the contractor a Task Order once it reaches agreement on the Task's proposed work plan and estimated cost. Each Task Order shall become effective upon the execution by both parties and should be incorporated into the signed contract [Article Two (2)].

PREMA incorporated the Task Orders to the contract and CSA registered them with the Puerto Rico Comptroller's Office on February 28, 2019. As the Task Orders exceeded the maximum amount of the signed contract, it is legal matter which we are unable to determine as to whether the registry of the Task Orders is the legal equivalent of a contract amendment under applicable GPR laws and/or regulations.

The acceptance of the Task Orders as an alternative/legal equivalent to a contract amendment is not contemplated in the scope of this document. COR³ should consider obtaining a legal opinion regarding the acceptance of the Task Orders as an alternative to a contract amendment.

Section III – Invoice Evaluations

Section 3.1 – Invoices Submitted

**Denotes invoice review not performed by Soria, LLC¹*

Ref No	Invoice Number	Agency/Corp	Amount	Start Date	End Date	Invoice Date
1	2017001	PREMA*	\$ 91,596.50	9/11/2017	9/29/2017	9/29/2017
2	2017003	PREMA*	\$ 582,846.00	9/30/2017	10/23/2017	10/31/2017
3	2017012-R ³	Department of Justice	\$ 48,841.25	9/26/2017	12/6/2017	3/16/2018
4	2017012-N ²	Department of Treasury	\$ 49,657.50	9/26/2017	12/6/2017	3/16/2018
5	2017012-001 ⁵	Program Oversight & Agency PA Assistance	\$ 1,560,686.50	9/26/2017	12/6/2017	4/16/2018
6	2017012-002 ¹	Department of Correction	\$ 78,740.50	9/26/2017	12/6/2017	3/23/2018
7	2017012-003 ²	Child Support Agency (ASUME)	\$ 1,099.50	9/26/2017	12/6/2017	3/23/2018
8	2017012-004 ²	PR Tourism	\$ 7,948.75	9/26/2017	12/6/2017	3/23/2018
9	2017012-005 ²	PRNG	\$ 4,968.75	9/26/2017	12/6/2017	3/23/2018
10	2017012-006 ²	Ponce Port	\$ 8,587.00	9/26/2017	12/6/2017	3/23/2018
11	2017012-007 ⁴	Land Administration	\$ 9,083.75	9/26/2017	12/6/2017	3/23/2018
12	2017012-008 ³	Department of Agriculture	\$ 13,731.25	9/26/2017	12/6/2017	3/23/2018
13	2017012-009 ³	Medical Service Administration	\$ 13,260.00	9/26/2017	12/6/2017	3/23/2018
14	2017012-010 ³	PRIDCO	\$ 15,381.25	9/26/2017	12/6/2017	3/23/2018
15	2017012-011 ³	PR Office of Management and Budget (OMB)	\$ 20,061.50	9/26/2017	12/6/2017	3/23/2018
16	2017012-012 ³	Administration of Mental Health and Anti Addiction Services (ASSMCA)	\$ 17,656.00	9/26/2017	12/6/2017	3/23/2018
17	2017012-013 ³	Solid Waste	\$ 39,632.50	9/26/2017	12/6/2017	3/23/2018
18	2017012-015 ²	Department of Natural Resources	\$ 49,235.00	9/26/2017	12/6/2017	3/23/2018
19	2017-012-016 ²	Department of Family	\$ 45,130.00	9/26/2017	12/6/2017	3/23/2018
20	2017012-017 ³	Department of Health	\$ 59,930.00	9/26/2017	12/6/2017	3/23/2018
21	2017012-019 ⁵	University of Puerto Rico	\$ 68,545.75	9/26/2017	12/6/2017	3/23/2018
22	2017012-020 ¹	Sports and Recreation	\$ 76,237.50	9/26/2017	12/6/2017	3/23/2018
23	2017012-021	PR Electric Power Authority*	\$ 538,981.75	9/26/2017	12/6/2017	3/23/2018
24	2017012-022 ^{1, 3}	Puerto Rico Health Insurance Administration (ASES)	\$ 7,748.75	9/26/2017	12/6/2017	3/23/2018
25	2017012-023 ³	Administration for Development of Agriculture Enterprise (ADEA)	\$ 810.00	9/26/2017	12/6/2017	3/23/2018
26	2017012-025 ⁴	PR Department of Education	\$ 1,042,533.75	9/26/2017	12/6/2017	4/16/2018
27	2017012-025B ⁴	PR Department of Education	\$ 82,596.50	9/26/2017	12/6/2017	4/16/2018
28	2017012-026 ⁴	Department of Transportation (DTOP)	\$ 105,972.50	9/26/2017	12/6/2017	3/23/2018
29	2017012-027 ³	Aqueduct and Sewer Authority (PRASA)	\$ 287,225.25	9/26/2017	12/6/2017	3/23/2018

¹ The Central Office for Recovery, Reconstruction and Resiliency engaged the services of the firm Soria, LLC (“Soria”) to analyze the invoices presented by CSA. Soria, LLC prepared and presented reports that detailed their analysis on the CSA invoices and provided recommendations regarding the amount to be paid per agency. Deloitte did not perform any additional procedures on the work already performed by Soria, LLC, nor did we rely on the overall findings of the Soria, LLC analysis.

Ref No	Invoice Number	Agency/Corp	Amount	Start Date	End Date	Invoice Date
30	2017012-028 ⁴	PA Trade and Export Company	\$ 6,247.50	9/26/2017	12/6/2017	3/23/2018
31	2017012-029 ¹	Public Building Authority	\$ 73,473.50	9/26/2017	12/6/2017	3/23/2018
32	2017012-30	Roosevelt Roads	\$ 15,921.50	9/26/2017	12/6/2017	3/23/2018
33	2107012-031 ⁴	Administration of Retirement	\$ 8,218.75	9/26/2017	12/6/2017	5/7/2018
34	2017012-032 ⁵	Department of Housing	\$ 15,007.50	9/26/2017	12/6/2017	5/7/2018
35	2017012-033 ⁵	Department of Labor	\$ 793.75	9/26/2017	12/6/2017	5/7/2018
36	2017012-034 ⁵	General Service Administration	\$ 3,261.25	9/26/2017	12/6/2017	5/7/2018
37	2017012-035 ⁵	PREMA	\$ 11,512.50	9/26/2017	12/6/2017	5/7/2018
38	2017012-036 ⁵	PR Fire Department	\$ 1,738.75	9/26/2017	12/6/2017	5/7/2018
39	2017012-037 ⁵	PR Highway and Transportation Authority	\$ 51,022.50	9/26/2017	12/6/2017	5/7/2018
40	2017012-038 ⁵	PR Housing Finance Authority	\$ 2,427.50	9/26/2017	12/6/2017	5/7/2018
41	2017012-039 ⁵	PR Police Department	\$ 32,747.50	9/26/2017	12/6/2017	5/7/2018
42	2017012-040 ⁵	PR Ports Authority	\$ 49,280.75	9/26/2017	12/6/2017	5/7/2018
43	2017012-041	Expense Charges Related to PMO Office Support	\$ 594,836.50	9/26/2017	12/6/2017	7/31/2018

Total

\$ 5,795,215.00

1. Soria, LLC ("Soria") conducted an analysis of these invoices and delivered results to COR3 as Group 1. Additional procedures were not performed.
2. Soria, LLC ("Soria") conducted an analysis of these invoices and delivered results to COR3 as Group 2. Additional procedures were not performed.
3. Soria, LLC ("Soria") conducted an analysis of these invoices and delivered results to COR3 as Group 3. Additional procedures were not performed.
4. Soria, LLC ("Soria") conducted an analysis of these invoices and delivered results to COR3 as Group 4. Additional procedures were not performed.
5. Soria, LLC ("Soria") conducted an analysis of these invoices and delivered results to COR3 as Group 5. Additional procedures were not performed.

Section 3.2 – Regulatory Guidelines

Invoices were reviewed for compliance with cost allowability guidelines summarized in 2 CFR § 200 with the following guidelines assessed:

- Costs are necessary and reasonable for the performance of the Federal award and be allocable thereto under the criteria in 2 CFR § 200.403 (See Observation 7).
- Costs conform to any limitations or exclusions set forth in the criteria in 2 CFR § 200.403 principles or in the Federal award as to types or amount of cost items.
- Costs are consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.
- Costs are accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- Costs are determined in accordance with generally accepted accounting principles (GAAP) or otherwise provided.
- Costs are not included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period.
- Costs are adequately documented.

Section 3.3 – Procedures Performed by Soria

The procedures performed by Soria, LLC were not subject to further analysis by Deloitte. As part of the engagement of Deloitte by COR³, Deloitte performed procedures on the invoices presented by CSA and not previously paid by PREMA. We have included the scope, procedures performed, and observations of the analysis conducted by Soria, LLC for informational purposes only.

Soria excluded from its review CSA invoices that had been paid (i.e., 2017001 and 2017003), as well as invoices that included work performed in part by Soria as a subcontractor. For the remaining invoices, Soria performed the following procedures:

- Assessed that the work was performed by CSA by confirming with the entity served
- Corroborate that employee roles on each invoice were agreed to by the PREMA in the associated Task Order
- Evaluated the invoices for work charged was within the scope of the contract
- Evaluated the invoices for work performed for another agency instead of the intended agency under the contract

Section 3.4 – Procedures Performed

To assess the aforementioned guidelines, the following procedures were performed in evaluating all invoices (excluding those invoices which have been paid, 2017001 and 2017003). Observations and comments related to these guidelines are detailed in Section IV:

- Compared invoices to payment vouchers and any other available supporting documentation delivered by COR3 and PREMA for completeness
- Requested, received, and summarized payment data and supporting documentation from Departamento de Hacienda (i.e., Treasury).
- Confirmed, through the analysis of invoices and related task orders, that employees (by role and level) on each invoice were assigned to the agency by the related Task Order
- Requested CSA invoice detail data. Upon receiving this data, the following procedures were performed:
 - Identified individuals who recorded potentially anomalous hours in a single day. For the purposes of this analysis, we considered the recording of more than 16 or 24 hours in one day to be potentially anomalous
 - Evaluated the underlying invoice data for errors when multiplying the rate by total hours
 - Recalculated the total invoice amount to assess if it reflected all lines on the invoice
 - Assessed instances where a billing rate for a time entry did not match the rate of the billing rate card provided in the contract
 - Evaluated the invoices by analyzing invoice data for individuals with multiple billing rates.
 - Identified any individuals who charged more than 60 hours in one week
 - Identified any individuals who charged time for 7 or more consecutive days
 - Checked for instances where time was recorded on a federal holiday
 - Checked for instances where time was recorded on a weekend
 - Evaluated invoices for instances of double billings (i.e., excessive hours recorded on the same date, for the same invoice, for an identical task)

Section IV – Observations

Schedule of Questioned Costs (impacts that overlap are accounted for in the Total)

#	Observation Name	Preliminary Observation	Net Financial Impact
1	Contract Authority	Contract was authorized for \$800,000.00. Invoices exceeded contract authority by \$ 4,995,215.00. No contract amendments or additional contracts were received.	N/A - see footnote below ²
2	Invoices previously reviewed by Zayas Morazani & Company	Invoices (2017001 and 2017003) were previously reviewed by Zayas Morazani & Company, at the request of PREMA. These invoices are not considered in this Vendor Payment Analysis.	N/A
3	Logging time for 60+ Hours	There were 88 instances across 7 different invoices in which individuals charged 60 or more hours in one week.	N/A
4	Weekends	There was 3,739.50 hours of time recorded by 270 individuals on weekends within 30 different invoices totaling \$533,571.75.	N/A
5	>24 Hours Charged in One Day	Located within invoice 2017012-001, there was one instance in which an individual charged 26.5 hours on November 29 th , 2017. Upon further analysis, the individual billed twice for the same task on the same date.	\$(1,539.00)
6	>16 Hours Charged in One Day	There were 13 instances in which an individual charged more than 16 hours in one day. The invoices containing these instances are 2017012-001, 2017012-021, and 2017012-025A.	N/A
7	Double Billings	Hours recorded on the same date, for the same invoice (invoice # 2017012-025A), for an identical task.	\$(2,508.00)
8	Time Worked on Federal Holidays	Individuals charged 173 hours on Columbus Day (10/9/2017) across 8 different invoices, 161 hours on Veterans Day (11/10/2017) across 26 different invoices, and 21.5 hours on Thanksgiving Day (11/23/2017) across 3 different invoices.	N/A
9	Individual charging time for 7 or more consecutive days	There were 76 individuals who charged time for 7 or more consecutive days.	N/A
10	Resources Under Task Order	The position of the resources charged on the invoice were not included in the task order.	\$(1,292,545.25)
11	Travel Time	Invoiced items related to travel time to or from Puerto Rico.	\$(75,722.00)
12	Expenses	Net questioned costs for the expense invoice (i.e., #2017012-041). Missing documentation, reconciling differences, disallowed expenses (e.g., first class airfare purchased), and questioned per diem claims.	\$(70,838.65)
13	Invoices without Task Orders	Department of Labor, General Services Administration, and the University of Puerto Rico – Invoices for services related to work performed for an agency without an authorized task order.	\$(72,600.75)
14	Agency charges*	Invoiced items related to one agency, charged on an invoice not related to the intended agency.	\$(3,797.50)
15	Invoices not certified by PREMA or agency receiving the service	There are 11 invoices for which we did not receive evidence of PREMA's (or agency receiving the service) certification of services received.	\$(2,331,533.75)

² Invoiced amounts exceed the authorized contract amount of \$800,000 as there were no executed contract amendments. Task Orders were registered with the Puerto Rico Comptroller's Office to serve as contract amendments. A legal opinion may determine these Task Orders do not serve as alternatives to contract amendments. This determination would have a financial impact of \$4,995,215.00.

16	Resources Under Task Order (specific to the expense invoice)	The position of the resources charged on the expense invoice were not included in the task order.	\$(318,436.01)
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Total Questioned Costs \$(2,989,103.75)**

*These observations were calculated in Soria, LLC's Group Reports on analysis of CSA Invoices (reports 1 through 5) compiled to list the observations found through conducting the aforementioned procedures performed on the CSA invoices. Refer to Soria's reports for an explanation of the underlying methodology.

** Total questioned cost is net of amounts included in multiple categories.

Section V – Payment Instructions

Hacienda confirms that invoices 2017001 and 2017003 have been paid, corroborating the findings in Soria’s Forensic Audit reports. The remaining invoices are still outstanding.

On January 15 and March 21, 2019, the preliminary observations were communicated to Fred Riefkohl, CSA Partner and Jose Acosta, CSA Controller, and they were afforded an opportunity to provide additional supporting documentation or explanations related to the preliminary observations. As of the date of this document, no additional documentation has been provided for the questioned costs noted in this report. If additional information is subsequently provided our observations may be subject to change.

Invoices Paid

Invoices 2017001 & 2017003	\$ 674, 442.50
Total Paid (as of August 22, 2018)	\$ 615,211.00
Amount Previously Disallowed	\$ 59,231.50

Remaining Invoices to be Paid

Remaining Invoiced Amount	\$ 5,120,772.50
Total Questioned Costs	\$ 2,989,103.75

Remaining Balance (Remaining Invoiced Amount less Total Questioned Costs) *	\$ 2,131,668.75
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*To be released upon COR³ evaluation of outstanding supporting documentation requested from CSA for final resolution and resolution of questionable costs.

NOTE:

As indicated in Section II above, Deloitte has not evaluated whether PREMA’s registry of Task Orders with the Puerto Rico Comptroller’s Office is consider a contract amendment from a legal perspective. Thus, the acceptance of the Task Orders as an alternative/legal equivalent to a contract amendment is not contemplated in the scope of this document. COR³ should consider obtaining a legal opinion regarding the acceptance of the Task Orders as an alternative to a contract amendment.